

**REPORT OF THE BOARD OF DIRECTORS REGARDING PROPOSALS
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON 13 APRIL 2012**

ITEM NUMBER ONE IN THE AGENDA:

1. Study and ratification, if deem fit, of the Financial Statements and Management Report of PESCANOVA, S.A. and the Consolidated Financial Statements and Management Report of the Pescanova Group of Companies, as well as a report on the business conducted by the Board of Directors, all the above in respect of the financial year 2011.

Pursuant to articles 164, 272 and other concordant articles of the Companies Law, the ratification of the Annual Accounts of the preceding year as well as the performance of the Board of Directors is to be ratified by Annual General Meeting of Shareholders, to be held within the first six months of each financial year.

ITEM NUMBER TWO IN THE AGENDA:

2. 2011 Profit Distribution.

Pursuant to articles 164, 273 and other concordant articles of the Companies Law, the profit distribution consistent with the ratified balance sheet is to be resolved at Annual General Meeting of Shareholders, to be held within the first six months of each financial year.

ITEM NUMBER THREE IN THE AGENDA:

3. Re-election and appointment of Board members.

Pursuant to article 221 of the Companies Law, the Articles of Association and other applicable regulations, it is proposed the re-election, for a five-year term, of a member of the Board, the number of Board members shall be 13, within the limits provided in the Articles of Association.

ITEM NUMBER FOUR IN THE AGENDA:

4. Renew the appointment or appointment of auditors for the financial statements of Pescanova, S.A. and consolidated financial statements of the Pescanova Group of Companies.

Pursuant to article 264.1 of the Companies Law, once the term for which they auditors were appointed has concluded, they can be re-elected by the General Meeting of Shareholders for a maximum term of three years.

ITEM NUMBER FIVE IN THE AGENDA:

5. A five year authorisation to the Board of Directors, which can be specifically replaced, for the issue of debentures and similar fixed income securities convertible into or exchangeable for shares of the Company or of other companies, belonging or not to the Group of Companies, and for the issue of warrants (option for subscription of new shares or the acquisition of shares in circulation of Pescanova or of other Companies) related to newly issued shares or shares in circulation of the Company or of other companies, belonging or not to the Group of Companies, up to the amount to be determined by the Annual General Meeting of Shareholders and in compliance with Law. Delegation to the Board of Directors of the authority to exclude the pre-emptive subscription right as well as to increase the share capital in the amount required to meet the application for conversion of debentures or the execution of warrants. Leave without effect, to the extent unused, the authority granted to the Board of Directors at the Extraordinary General Meeting of Shareholders of 30 January 2012.

The Board of Directors considers very important to have delegated authorities contemplated by current legislation, to be at any time ready to gather from primary exchanges the required resources for a suitable management of the Company's interest. The purpose of this delegation is to give the managing body of the Company a greater leeway to act in response to the competitive environment in which it operates where the success of a transaction or a strategic initiative depends on the possibility of acting promptly and immediately and without having to incur in the costs arising from having to call and hold a General Meeting of Shareholders.

For this purposes, in compliance with the general rules regarding issue of debentures as provided in articles 401 and subsequent of the Companies Law and pursuant to articles 510 and 511 particularly related to listed companies, it is proposed to the General Meeting of Shareholders, under item number FIVE in the agenda, the delegation to the Board of Directors of the authority to issue in one or several times debentures or other similar fixed income securities convertible into or exchangeable for shares, and warrants in the manner and conditions the Board freely establishes, up to the maximum amount determined by the General Meeting and for a five year term.

The resolution proposed also considers the authority to the Board of Directors to increase the share capital, in case it decides to issue debentures convertible into newly issued shares of the Company, the amount of such capital increase would be determined by the debentures to be converted provided that added to any other capital increase under any authority granted by the General Meeting of Shareholders, pursuant to article 297.1.b) of the Companies Law, is not higher than half the share capital. Therefore, any capital increase required to meet the conversion of debentures shall be included within the half of the share capital limit at the time of the authorisation according to the proposal to be put to the General Meeting under item number SIX of the Agenda, or if necessary, any future equivalent authority replacing this one.

The proposed resolution also establishes, in case it is decided to go ahead with an issue of debentures convertible into or exchangeable for shares, the minimum requirements for determining the basis and modality for the conversion and/or exchange, however the Board of Directors is entitled to specify certain basis or modalities for each issue within the limits and in compliance with the criteria determined by the General Meeting.

Furthermore, it is noted that the authority for the issue of fixed income securities convertible into newly issued shares, also establishes that the Board of Directors is entitled to exclude, either in full or in part, the pre-emptive subscription right for shareholders, when considered appropriate for gathering financial resources in the market or if the interest of the Company so justifies.

The reason why the Board of Directors proposes this authority rather than a mere delegation of the authority to issue convertible debentures is because it considers that this additional possibility gives it a greater leeway to operate and to act in response, and for the flexibility and agility necessary to act in current financial markets in order to take advantage of the most favourable conditions of the market at any time. Another reason is that when gathering financial resources in international markets, due to the agility and celerity of their operation, it would allow to gather a large amount of funds in very favourable conditions provided it can be done at the most appropriate time which cannot be determined before hand. Also the exclusion of the pre-emptive subscription right for shareholders may be necessary when bookbuilding methods are used for gathering financial resources, or when appropriate for the interest of the Company. And last, financial costs associated to this transaction (including, particularly, the fees from financial institutions participating in the issue) are lower with the exclusion of the pre-emptive subscription right for shareholders rather than an issue with pre-emptive subscription rights for shareholders, and at the same time the distortion effect in the trading of the shares of the Company during the issue period is less pronounced.

Please note that the exclusion of the pre-emptive subscription right for shareholders is an authority that the General Meeting of Shareholders delegates to the Board of Directors, and it is the latter the body to decide in each particular case and in compliance with legal requirements, whether to exclude it or not. In this sense, if the Board of Directors decides to exclude the pre-emptive subscription right for shareholders for a particular issue of convertible debentures under the authority requested from the General meeting of Shareholders, it shall prepare a report detailing the reasons for doing so, and will ask for a report from an auditor, as provided in article 417 of the Companies Law. Both reports shall be made available to the shareholders and brought to the next General Meeting of Shareholders to be held after adopting the resolution regarding such issue.

ITEM NUMBER SIX IN THE AGENDA:

6. A five year authorisation to the Board of Directors, which can be specifically replaced, pursuant to Article 297.1.b of the Companies Law, to increase the share capital of the company, with or without premium, in an amount not higher than half of the existing share capital at the time of this authorisation, in one or several times and at the time and for the amount considered appropriate, such authority includes the entitlement to exclude the right to pre-emptive subscription and corresponding authorisation to amend Article 7 of the Articles of Association accordingly, and to leave without effect the authority granted to the Board of Directors at the Extraordinary General Meeting of Shareholders of 30 January 2012.

Pursuant to article 297.1.b) of the Companies Law, the General Meeting of Shareholders in compliance with the requirements established for amending the Articles of Association may delegate to the Board of Directors the authority to increase the share capital of the Company. The term for exercising this delegated authority shall not be longer than 5 years.

In this sense, the Board of Directors understand that the proposal brought to the General Meeting arises from the opportunity to provide an instrument for the Board of Directors, authorised by the legislation currently in force, which allows the Board to adopt a capital increase resolution within the limits determined by the General Meeting of Shareholders, but without needing to hold a General Meeting of Shareholders.

The good performance of a company requires that the governing bodies have at any time the most suitable instruments to act in response to the needs of the Company depending on market circumstances. The gathering of resources for the Company, which would normally be instrumented by cash contributions, may be among those needs.

For this purpose, it is brought to the approval of the General Meeting of Shareholders the delegation to the Board of Directors of the authority to increase the share capital, up to half of the share capital at the time of granting this authority, and for a maximum term of 5 years.

On the other hand, article 506 of the Companies Law, provides that listed companies whenever the General Meeting of Shareholders delegates to the Board of Directors the authority to increase the share capital pursuant to article 297.1.b) of the said Law, it may also have the authority to exclude the pre-emptive subscription right for shareholders, provided that the circumstances in the said article are met, and the nominal value of the shares to be issued plus the issue premium, if any, equals the fair value of the shares of the Company, as shown in the report to be prepared at the request of the Board of Directors, by an auditor other than the Company's auditor, and appointed by the Companies Office, whenever the Board makes use of the authority to exclude the pre-emptive subscription right for shareholders.

The globalization of international markets, as well as the speed and agility required to operate in the same makes necessary for the governing bodies of listed companies to have suitable and flexible instruments to act in response to the demands and the interest of the Company, at any time, and therefore this authority of the Board of Directors to exclude, if necessary, the pre-emptive subscription right for shareholders should be included in this strategy.

Furthermore, the exclusion of the pre-emptive subscription right for shareholders may allow to shorten the period for the issue of new shares (eventually being able to make use of accelerated bookbuilding), and thus reduce the distortion effect on the trading of shares of the Company during the said period and lessen market risk in the execution of this transactions. The above, together with use of bookbuilding methods, may result in lower underwriting fees and in turn, lower funding costs.

Anyhow, the Board of Directors shall assess, when making use of this authority to exclude the pre-emptive subscription right, whether the circumstances justify the adoption of such measure.

ITEM NUMBER SEVEN IN THE AGENDA:

7. Annual Statement on Remuneration for Directors.

The Annual Statement on Remuneration for Directors is put to the vote of the Shareholders pursuant to article 63 ter of the Stock Exchange Law as amended by Law 2/2011 of 4 March.

ITEM NUMBER EIGHT IN THE AGENDA:

8. Ratification of the website www.pescanova.com as electronic place for the purposes of Article 11 Bis of the Companies Law.

Proposal for the ratification of the corporate website of Pescanova, SA, www.pescanova.com, to be considered as the electronic place for the purposes of article 11 bis of the Companies Law.

ITEM NUMBER NINE IN THE AGENDA:

9. Delegation of powers for the execution of resolutions adopted.

To authorise the Chairman and the Secretary of the Board of Directors for the formalisation and execution of resolutions adopted, as well as for the filing of the individual and consolidated annual accounts with the Companies Office.

ITEM NUMBER TEN IN THE AGENDA:

10. Writing up and ratification of the Minutes in any of the manners provided in article 202 of the Companies Act currently in force.

It is proposed to ratify the Minutes by appointing shareholders representatives.